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1953



PITTSBURGH PLATE GLASS COMPANY

70th
**ANNUAL
REPORT**
1953



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HARDWARE



This model hardware store features the open-front design. Framed in Carrara structural glass, the large areas of polished plate glass are set in Pittco metal. Keynote is the Herculite door assembly with its heat-tempered glass door and Pittcomatic hinge. This design provides excellent means for timely exhibits of merchandise, such as the "Pittsburgh Paints" and "Red Stripe" brushes shown on left and the Pennvernon window glass shown on right.

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Pg 35
1953



During 1953 the Company's General Office moved to its new home at One Gateway Center, Pittsburgh, Pennsylvania. It is one of three modern buildings on Pittsburgh's famous "Point," glazed with nearly 7,500 lights of quarter-inch plate glass. Other Company products used include Carrara, Herculite Glass Doors, Pittco Metal, and paints and finishes.

COVER PICTURE

Rough plate glass, securely locked in specially designed metal "A" frames, is being transported from Works 1, Creighton, Pennsylvania, to Works 4, Ford City, Pennsylvania, to be ground and polished.

70th ANNUAL REPORT

OF THE PITTSBURGH PLATE GLASS COMPANY

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BOARD OF DIRECTORS

CLARENCE M. BROWN, *Chairman* • EDWIN T. ASPLUNDH • HOWARD B. BROWN
EMMET D. GRIFFIN • LELAND HAZARD • HARRY B. HIGGINS • RICHARD K. MELLON
W. ERIC PHILLIPS • HAROLD F. PITCAIRN • RAYMOND PITCAIRN • RICHARD B. TUCKER

EXECUTIVE COMMITTEE

HARRY B. HIGGINS, *Chairman* • EDWIN T. ASPLUNDH • CLARENCE M. BROWN
HOWARD B. BROWN • LELAND HAZARD • HAROLD F. PITCAIRN • RICHARD B. TUCKER

OFFICERS

CLARENCE M. BROWN, *Chairman of the Board, Chairman of the Finance Committee*
HARRY B. HIGGINS, *President, Chairman of the Executive Committee*
RICHARD B. TUCKER, *Executive Vice-President*
EDWIN T. ASPLUNDH, *Vice-President, Cement Division;*
also President, Columbia-Southern Chemical Corporation
DONALD C. BURNHAM, *Vice-President, Merchandising Division*
WALLACE R. HARPER, *Vice-President, Glass Sales*
LELAND HAZARD, *Vice-President and General Counsel*
DAVID G. HILL, *Vice-President, Glass Manufacturing*
FRANK W. JUDSON, *Vice-President*
ELBERT D. PECK, *Vice-President, Paint and Brush Division*
JOHN A. WILSON, *Vice-President, Glass Planning and Engineering*
HOWARD B. BROWN, *Secretary*
CHARLES R. FAY, *Comptroller*
W. V. SIMMONS, *Treasurer*

TRANSFER AGENTS

PEOPLES FIRST NATIONAL BANK & TRUST COMPANY, PITTSBURGH, PA.
CITY BANK FARMERS TRUST COMPANY, NEW YORK, N. Y.

REGISTRARS

MELLON NATIONAL BANK AND TRUST COMPANY, PITTSBURGH, PA.
GUARANTY TRUST COMPANY OF NEW YORK, NEW YORK, N. Y.

TEN YEAR FINANCIAL DIGEST

	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944
Net Sales to Customers and Other Net Revenues (MILLIONS OF DOLLARS)	457.1	407.5	407.6	339.4	286.8	283.1	265.1	187.5	146.2	145.2
Operating Cost (MILLIONS OF DOLLARS)	380.9	330.6	309.1	258.2	227.4	229.2	212.3	156.4	125.8	119.3
Earnings from Operations (MILLIONS OF DOLLARS)	76.2	76.9	98.5	81.2	59.4	53.9	52.8	31.1	20.4	25.9
Fed. and State Taxes on Earnings (MILLIONS OF DOLLARS)	39.3	40.1	67.4	39.3	21.3	21.2	25.0	14.0	6.9	12.5
Net Earnings* (MILLIONS OF DOLLARS)	36.9	36.8	31.1	41.9	38.1	32.7	27.8	17.1	13.5	13.4
	31.2	31.3	25.9	38.3	34.3	29.9				
Total Taxes (Including Taxes on Earnings) (MILLIONS OF DOLLARS)	45.8	46.1	72.9	43.6	25.5	25.0	28.5	16.7	9.2	15.3
Property and Plant (Less Depreciation) (MILLIONS OF DOLLARS)	196.7	190.6	160.2	110.4	101.2	96.0	80.4	71.4	57.0	58.3
Additions to Property (MILLIONS OF DOLLARS)	22.8	42.4	40.8	16.6	12.5	21.0	15.5	21.2	4.3	3.7
Unexpended Authorizations for Capital Expenditures (MILLIONS OF DOLLARS)	20.2	29.9	57.2	26.8	14.5	12.2	16.2	8.6	7.8	6.1
Note and Debenture Indebtedness (MILLIONS OF DOLLARS)	72.7	82.0	27.0	—	—	—	—	—	—	—
Paid to Employees (MILLIONS OF DOLLARS)	145.5	129.7	121.9	102.4	87.5	87.4	74.8	59.8	44.5	47.9
Dividends Paid (MILLIONS OF DOLLARS)	20.4	18.1	18.1	22.6	15.8	15.7	15.2	10.7	9.4	9.4
Earnings Retained in Business (MILLIONS OF DOLLARS)	16.5	18.7	13.0	19.3	22.3	17.0	12.6	6.4	4.1	4.0
Dividends Per Share (Dollars) (\$10 PAR VALUE)	2.25	2.00	2.00	2.50	1.75	1.75	1.70	1.20	1.06	1.06
Taxes Per Share (Dollars) (\$10 PAR VALUE)	5.05	5.09	8.07	4.83	2.82	2.79	3.19	1.87	1.04	1.73
Earnings Per Share* (Dollars) (\$10 PAR VALUE)	4.07	4.07	3.44	4.64	4.22	3.65	3.11	1.92	1.53	1.52
	3.44	3.47	2.87	4.24	3.79	3.33				
Ratio: CURRENT ASSETS TO CURRENT LIABILITIES	2.1 to 1	2.3 to 1	1.8 to 1	2.4 to 1	2.9 to 1	2.4 to 1	2.3 to 1	2.8 to 1	4.4 to 1	3.4 to 1

*MANAGEMENT BELIEVES REAL NET EARNINGS AND EARNINGS PER SHARE ARE THE AMOUNTS SHOWN IN ITALICS. SEE "NET EARNINGS" PAGE FIVE.

Condensed Summary of Consolidated Earnings

	<i>Quarter Year Ended Sept. 30</i>		<i>Nine Months Ended Sept. 30</i>	
	<u>1954</u>	<u>1953</u>	<u>1954</u>	<u>1953</u>
Net sales	\$107,046,066	\$114,335,137	\$309,278,171	\$346,993,772
Other income (dividends, etc.)	<u>1,019,965</u>	<u>1,244,962</u>	<u>3,675,657</u>	<u>3,844,539</u>
Total	<u>\$108,066,031</u>	<u>\$115,580,099</u>	<u>\$312,953,828</u>	<u>\$350,838,311</u>
Deduct:				
Cost of sales, selling and other expenses	\$ 86,295,370	\$ 93,196,732	\$254,042,456	\$275,032,640
Federal and state income taxes	9,815,200	11,078,271	26,958,106	40,819,010
Other taxes	<u>1,333,571</u>	<u>1,360,449</u>	<u>4,423,204</u>	<u>4,274,836</u>
Total	<u>\$ 97,444,141</u>	<u>\$105,635,452</u>	<u>\$285,423,766</u>	<u>\$320,126,486</u>
Net earnings	\$ 10,621,890	\$ 9,944,647	\$ 27,530,062	\$ 30,711,825
Earnings per share	<u>\$ 1.14</u>	<u>\$ 1.09</u>	<u>\$ 2.99</u>	<u>\$ 3.39</u>

NOTE: Income reported above for the year 1954 is subject to year-end
adjustment at time of audit by independent public accountants.

News Briefs



Memo to Shareholders:

In place of the usual news items, you will find some interesting information on PPG products in this dividend mailing.

See the condensed summary of earnings on the inside pages.

November 1, 1954

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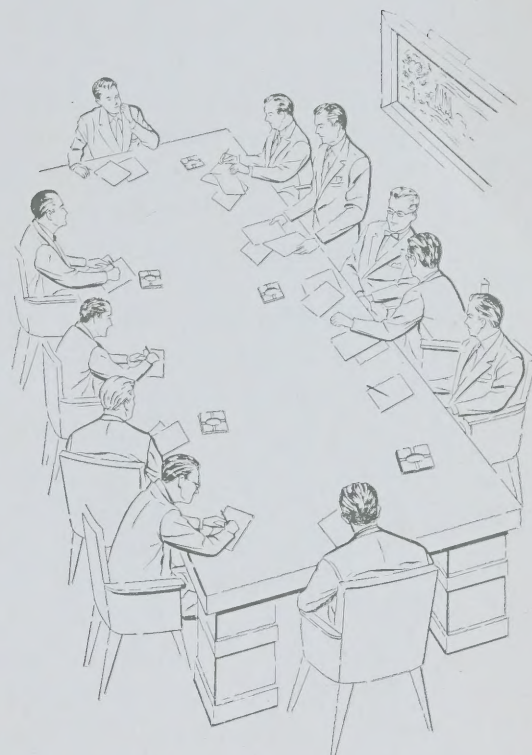
To the SHAREHOLDERS

Because 1953 was the seventieth year of the Company's history, and because an unusually large proportion of our shareholders are long-term investors, this Annual Report will devote to a review of the past decade, some of the space that has customarily been reserved for discussion of the less important details of the year's activities.

From the standpoint of sales, the year 1953 was by far the best in the Company's history. A high level of activity in the construction of commercial buildings and of residences provided an important volume of glass and paint sales for the Merchandising Division, which also benefited from large maintenance paint sales stimulated by the *do it yourself* trend. The furniture industry, aided by the continuing high rate of home building, consumed large quantities of glass for mirrors. The automobile industry, the largest user of glass, produced more cars, with greater glass area per car, than in any other year except 1950, and used increased quantities of automotive finishes. Though the Glass, Paint, and Merchandising Divisions experienced an excellent year, sales during the last quarter tended towards a somewhat lower level of activity.

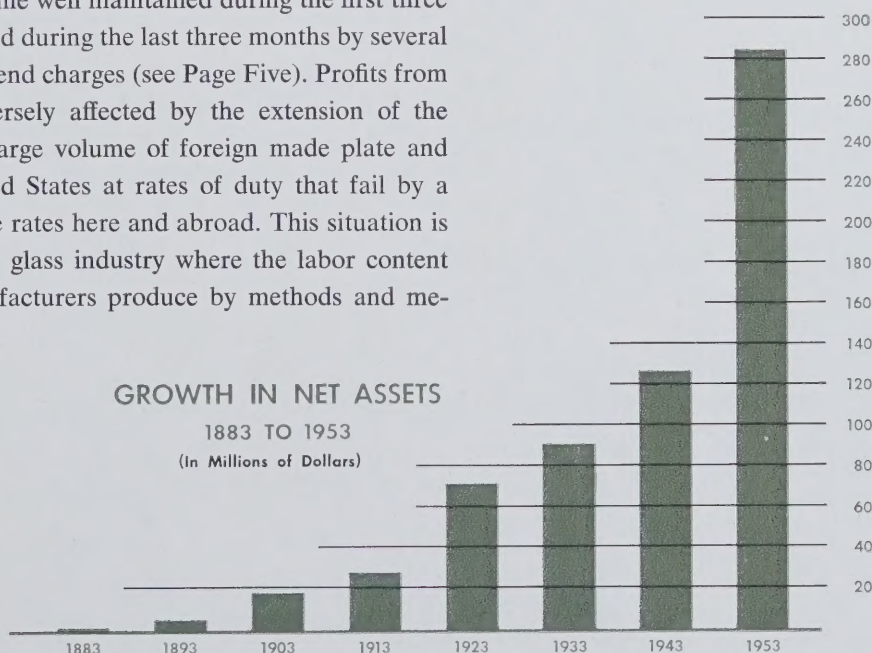
The Columbia-Southern Chemical Corporation's sales were higher than in any previous year, although in common with other units of the chemical industry, sales of some products were below manufacturing capacity.

Earnings from operations, while well maintained during the first three quarters of the year, were curtailed during the last three months by several important but nonrecurring year-end charges (see Page Five). Profits from the year's operations were adversely affected by the extension of the Excess Profits Tax and by the large volume of foreign made plate and window glass entering the United States at rates of duty that fail by a wide margin to equalize the wage rates here and abroad. This situation is particularly important in the flat glass industry where the labor content is high and where foreign manufacturers produce by methods and me-



GROWTH IN NET ASSETS

1883 TO 1953
(In Millions of Dollars)



chanical devices that are just as efficient as any employed in our own country. The recommendations of the Commission on Foreign Economic Policy (Randall Commission), therefore, that rates of duty, already too low to prevent serious foreign competition, should be progressively reduced, deserve the earnest thought and action of every shareholder and employee.

A glance at the statistical summary of the Company's operations during the past decade, which appears on Page Two, will show its growth in sales, earnings, and income-producing property, as well as the amount of money borrowed and the earnings retained in the business to finance the expanded operations. Though two hundred million dollars has been expended on plant and property during this ten-year period, the opportunities for further growth and diversification, and the necessity for replacing outmoded facilities at today's high costs, will require continuing heavy capital expenditures.

On May 1, 1953, the Company purchased from the Pittsburgh Corning Corporation all the patent rights and know-how relating to a process for manufacturing all-glass, electrically-welded, double-glazed window units. This new product, marketed under the trade name "TwindoWeld," is being manufactured at Lincoln, Illinois, and has, we believe, an important sales potential.

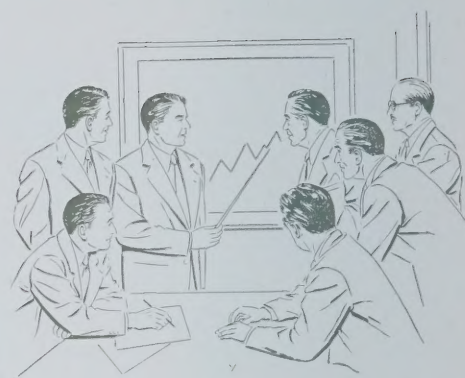
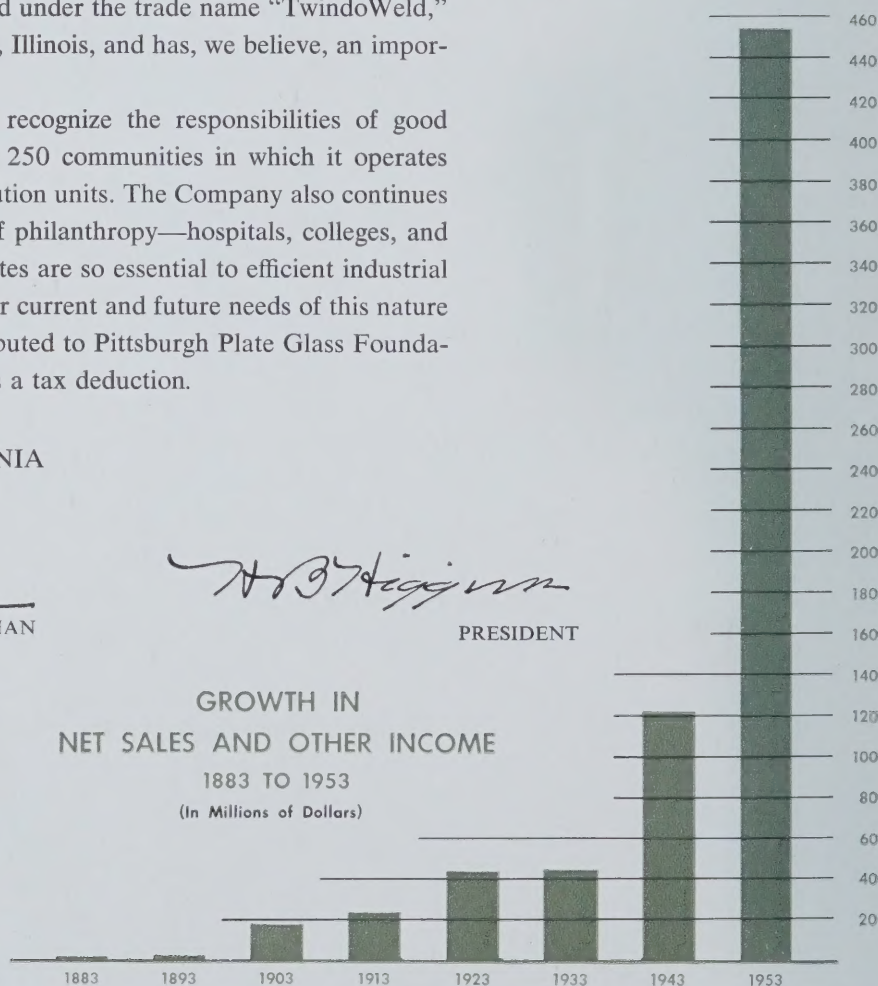
The Company continues to recognize the responsibilities of good citizenship in the approximately 250 communities in which it operates manufacturing plants and distribution units. The Company also continues its interest in the broader field of philanthropy—hospitals, colleges, and technical schools—whose graduates are so essential to efficient industrial operations. To make provision for current and future needs of this nature the Company, as in 1952, contributed to Pittsburgh Plate Glass Foundation the full amount permitted as a tax deduction.

PITTSBURGH, PENNSYLVANIA
FEBRUARY 9, 1954

L. M. Brown
CHAIRMAN

W. B. Higgins
PRESIDENT

GROWTH IN
NET SALES AND OTHER INCOME
1883 TO 1953
(In Millions of Dollars)



FINANCIAL REVIEW of 1953

Financial figures and charts presented throughout this report reflect, as has been the practice in the past, the data relative to the Pittsburgh Plate Glass Company and all of its wholly-owned domestic subsidiaries.

NET SALES

For the year 1953, net sales to customers amounted to \$451,964,697, an increase of 12.4 per cent over sales of \$402,055,085 in 1952. All divisions of the Company contributed to this increase. Total revenue from normal operations was \$457,050,857.

NET EARNINGS

The Company's net earnings for the year were \$36,864,785, equivalent to \$4.07 per share of outstanding stock, as compared with net earnings of \$36,771,925 in 1952 which was also equivalent to \$4.07 per share.

Net earnings were affected, particularly in the fourth quarter, by a very substantial maintenance, repair, and rehabilitation program; and by an increase in depreciation charges relating to a group of facilities which are being depreciated at an accelerated rate so that they will be fully amortized by the time the replacement facilities are ready for operation.

The Company appropriated \$5,657,136 during the year 1953 to provide for replacement of obsolete and worn-out facilities at current prices. This appropriation was in addition to the normal but inadequate depreciation provision on original cost which is allowed under present accounting practice and Federal tax laws. Therefore, real net earnings were \$31,207,649 and not the \$36,864,785 which the Company was required to report.

DIVIDENDS

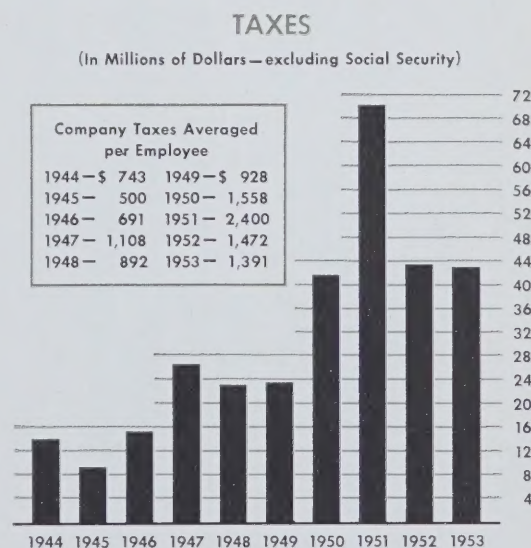
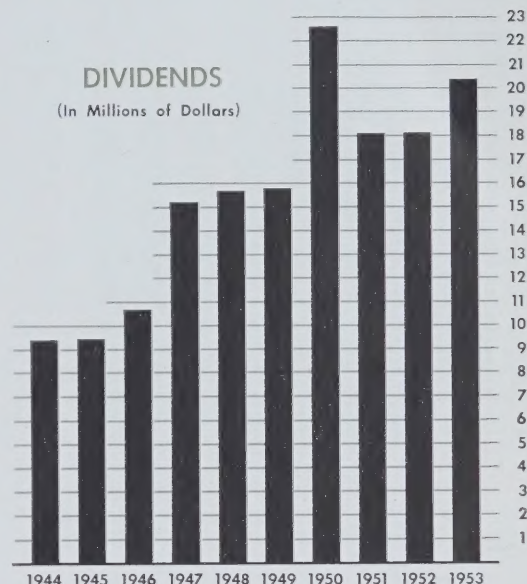
During the year the Company paid as dividends \$20,364,041, equivalent to \$2.25 per share, as compared with dividend payments of \$18,080,000, or \$2.00 per share in 1952. The total number of shares outstanding at the end of the year 1953 was 9,061,121.

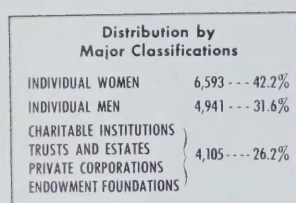
TAX PROVISIONS

In 1953 tax provisions amounted to \$45,780,361 as compared with \$46,070,828 in 1952. The combined Excess Profits Tax base for Pittsburgh Plate Glass Company and Columbia-Southern Chemical Corporation in 1953 was \$63,900,000 as compared with \$60,500,000 in 1952. Taxes in 1953 were equivalent to \$5.05 per share, compared to payrolls of \$16.06 per share and dividends of \$2.25 per share.

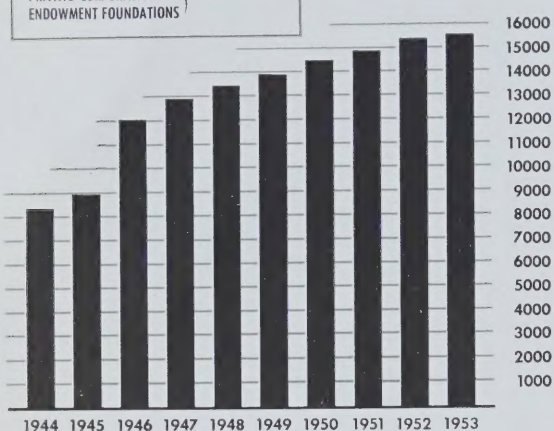
WORKING CAPITAL

At December 31, 1953, working capital was \$112,987,445 compared with \$117,414,347 at December 31, 1952. The current ratio declined



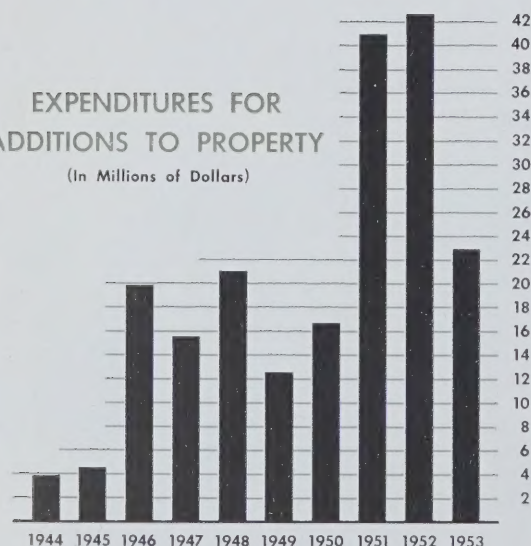


THE COMPANY SHAREHOLDERS



EXPENDITURES FOR ADDITIONS TO PROPERTY

(In Millions of Dollars)



from 2.34 to 1 at December 31, 1952 to 2.14 to 1 at December 31, 1953. Principal factors contributing to this decline were the payment of \$9,250,000 on indebtedness to banks, the transfer of \$16,200,000 from noncurrent to current liabilities, and the expenditure of \$22,800,000 for expansion and replacement of facilities.

FINANCING

Columbia-Southern Chemical Corporation which borrowed \$15,000,000 from private investors in 1952 will begin repayment of these notes at the rate of \$1,000,000 per year beginning May 1, 1954. No portion of the \$40,000,000 debenture issue of the Pittsburgh Plate Glass Company is scheduled for redemption until April 1, 1956.

ACCELERATED AMORTIZATION

Under Certificates of Necessity, the Company is permitted to amortize certain facilities at a faster rate than normal depreciation practice. As a result, current income taxes are less than under the normal depreciation rates used by the Company. However, in later years, this accelerated amortization is exhausted and the Company can no longer claim depreciation on these facilities for tax purposes.

During the year the Company adopted the practice recommended in such cases by the American Institute of Accountants to avoid overstating reported net earnings by the amount of the tax reduction resulting from accelerated amortization. Accordingly, an amount of \$1,400,000 has been included in the tax provision and in deferred credits. The deferred credit will be returned to income in future years to offset a tax penalty when accelerated amortization is no longer deductible for tax purposes.

CAPITAL EXPENDITURES

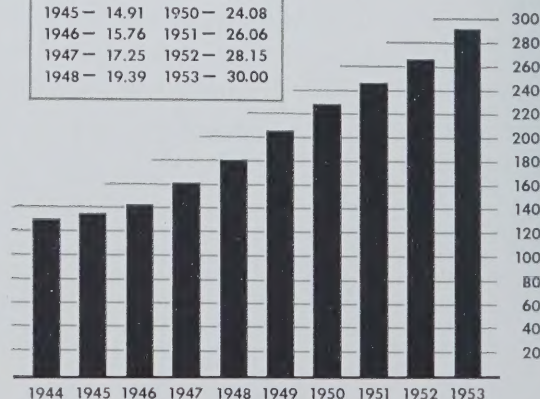
During 1953 capital expenditures amounted to \$22,800,000. The total of such expenditures during the past ten years amounted to \$200,000,000. The amount necessary to complete authorized expenditures at December 31, 1953, amounted to approximately \$20,200,000.

Book Value per Share of Stock

1944 — \$14.43	1949 — \$21.94
1945 — 14.91	1950 — 24.08
1946 — 15.76	1951 — 26.06
1947 — 17.25	1952 — 28.15
1948 — 19.39	1953 — 30.00

NET ASSETS

(In Millions of Dollars)



CONDENSED STATEMENT OF FINANCIAL POSITION

December 31, 1953 and 1952

THIS IS THE SHAREHOLDERS' INVESTMENT

	1953	1952
COMMON STOCK, 9,061,121 shares; held by 15,639 shareholders in 1953; 15,469 in 1952; \$10.00 par value (includes capital contribution in excess of par value)	\$ 97,135,000	\$ 96,445,000
UNAPPROPRIATED EARNINGS REINVESTED IN THE BUSINESS	148,008,000	131,483,000
TOTAL SHAREHOLDERS' INVESTMENT	<u>\$245,143,000</u>	<u>\$227,928,000</u>

THIS IS HOW IT IS USED IN THE BUSINESS

WE HAVE AVAILABLE TO CONDUCT OUR CURRENT BUSINESS:

Cash and marketable securities	\$ 86,051,000	\$ 83,987,000
Accounts receivable (<i>money owed to the Company</i>)	38,277,000	37,392,000
Inventories (<i>raw materials, finished products, etc., in stock</i>)	87,190,000	83,621,000
TOTAL	<u>\$211,518,000</u>	<u>\$205,000,000</u>

WE OWE WITHIN ONE YEAR:

For wages, materials, services, etc.	\$ 32,975,000	\$ 28,246,000
To banks and the public	18,700,000	11,750,000
For taxes	46,855,000	47,590,000
TOTAL	<u>\$ 98,530,000</u>	<u>\$ 87,586,000</u>
AVAILABLE WORKING CAPITAL	<u>\$112,988,000</u>	<u>\$117,414,000</u>

WE OWE IN LATER YEARS:

To banks and the public	56,918,000	72,195,000
REMAINDER	<u>\$ 56,070,000</u>	<u>\$ 45,219,000</u>
INVESTMENTS IN DOMESTIC SUBSIDIARIES	1,668,000	1,668,000
INVESTMENTS IN FOREIGN SUBSIDIARIES	16,284,000	13,648,000
INVESTMENTS IN OTHER COMPANIES	2,462,000	2,510,000
PROPERTY—At cost, reduced by the cost of wear and exhaustion (depreciation) of these facilities	196,717,000	190,648,000
OTHER ASSETS	12,928,000	12,766,000
NET ASSETS	<u>\$286,129,000</u>	<u>\$266,459,000</u>

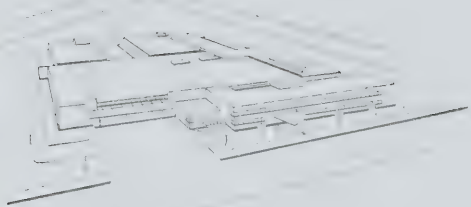
DEDUCT:

Provision for probable future expenditures, appropriations for replacements and losses, undetermined liabilities, etc.	40,986,000	38,531,000
TOTAL USED IN THE BUSINESS	<u>\$245,143,000</u>	<u>\$227,928,000</u>

HIGHLIGHTS of 1953



Window glass plant, Clarksburg, W. Va.



Paint plant, Torrance, Calif.



Perchlorethylene unit, Barberton, Ohio

The majority of the Company's plants operated at satisfactory levels during the year and, with use of the facilities improved or expanded in the past two years, production exceeded the previous record reached in 1951.

Several phases of the Company's expansion program reached maturity during 1953. Chlorine and caustic soda production were doubled at Corpus Christi, Texas, and increased at Natrium, West Virginia. At the latter plant construction of ammonia-producing facilities was planned. Additional facilities for perchlorethylene production were installed at Barberton, Ohio.

In the Glass Division a new annealing lehr was installed at Mount Vernon, Ohio; the No. 1 plate glass tank at Crystal City, Missouri, was enlarged; and at Lincoln, Illinois, a new plant, previously operated by Pittsburgh Corning Corporation, was purchased for production of TwindoWeld. This is a new type of double-glazed window in which two lights of glass are electrically welded at the edges without the use of sealing metal or metal members. At the Shelbyville, Indiana, fiber glass plant eight new tanks were put into operation.

The Paint Division, in addition to starting construction of research facilities, mentioned elsewhere in this report, improved the buildings and facilities at the Suydam plant, Pittsburgh, Pennsylvania, and added special departments for production of Wallhide Rubberized Wall Paint at Newark, New Jersey, and Torrance, California.

Among the new products introduced in 1953 were: TwindoWeld, mentioned previously; Dusklite, a special glazing product for use in schools; Teleglas Duolite, a laminated safety glass for television sets; an improved alkyd Wallhide paint line for maintenance painting; and Spec-trim, a new colored Pittco store front metal.

Progress was made during 1953 in the continuing development of large, bent safety glass for automobiles and aircraft. Facilities were perfected and installed for production of the new full-vision type of windshield and backlight. These new automotive glasses, with sweeping, complex curves, provide maximum driver vision through the elimination of former blind spots both in the front and rear of the automobile.

A record annual average employment of 30,956 was achieved by the Company and its wholly-owned subsidiary, the Columbia-Southern Chemical Corporation, during 1953. This exceeds by 1,383 the previous high of 29,573 in 1952.

The Company, with a total of 235 labor contracts, enjoyed successful labor relations with freedom from any serious work stoppage. Safety and training programs were expanded in 1953. A total of 9 production units had perfect safety records and 10 plants were recipients of awards for outstanding safety practices.

The **SEVENTH DECADE** of **COMPANY OPERATIONS**

...in the **GLASS DIVISION**

Since its founding in 1883 the Company has been one of the nation's principal producers of flat glass and flat glass products, including plate and window glass, laminated safety glass, and heat-tempered glass. The Company is also a principal producer of optical and ophthalmic glasses, double-glazed insulating windows, and mirrors. Since 1952, with the founding of the Fiber Glass Division, it also produces several types of fiber glass.

In January, 1944, the Glass Division operated 4 plate glass plants and 3 window glass plants and maintained an average annual payroll of 8,854 people. During the past ten years the Company has greatly improved and expanded its glass manufacturing and processing facilities. Through these activities the production of both plate glass and window glass in 1953 was approximately double the highest production record of the previous decade. Employment rose in 1953 to a record annual average of 14,578 men and women.

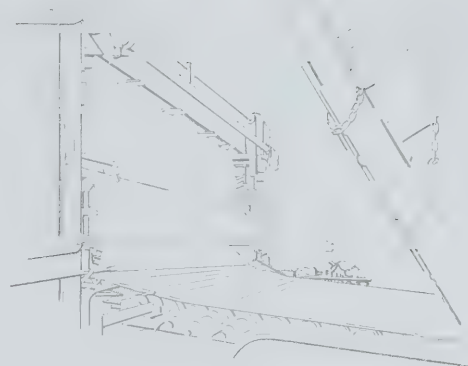
Improvements in fabricating and processing facilities have doubled the output of safety glass and heat-tempered glass in the past ten years. Typical of these improvements was the new line production process for Herculite doors developed during 1953 at Works 6, Ford City, Pennsylvania.

In its expansion program the Division constructed a plant at Creighton, Pennsylvania, in 1947, for production of Twindow double-glazed insulating windows and in 1953 purchased the TwindoWeld plant at Lincoln, Illinois. In 1945 the Division built a new plant at Kokomo, Indiana, for the production of aluminum store front metal in various shapes used in construction of modern open-front stores with their large expanse of glass.

There are several reasons for the increase in the use of glass in the past decade. Not least of these is the Company's research and product development program on which it spent more than \$15,000,000 to stimulate new uses of glass and to create new and different glass products.

For example, windshields of prewar cars usually had two small flat glass sections of approximately 3 square feet each. Today windshields are being produced that are between 9 and 10 square feet in area and are made as single lights of glass with complex curves. During the past ten years automobile backlights more than doubled in size.

Outstanding changes in glass formulation were also accomplished to add to its functional characteristics. One new type of glass gaining popular acceptance in the past decade absorbs solar heat and reduces glare. It is known as Solex, and is being widely used in both the automotive and building fields. Solex, along with plate glass, Carrara structural glass,



Forming plate glass



Inspecting plate glass

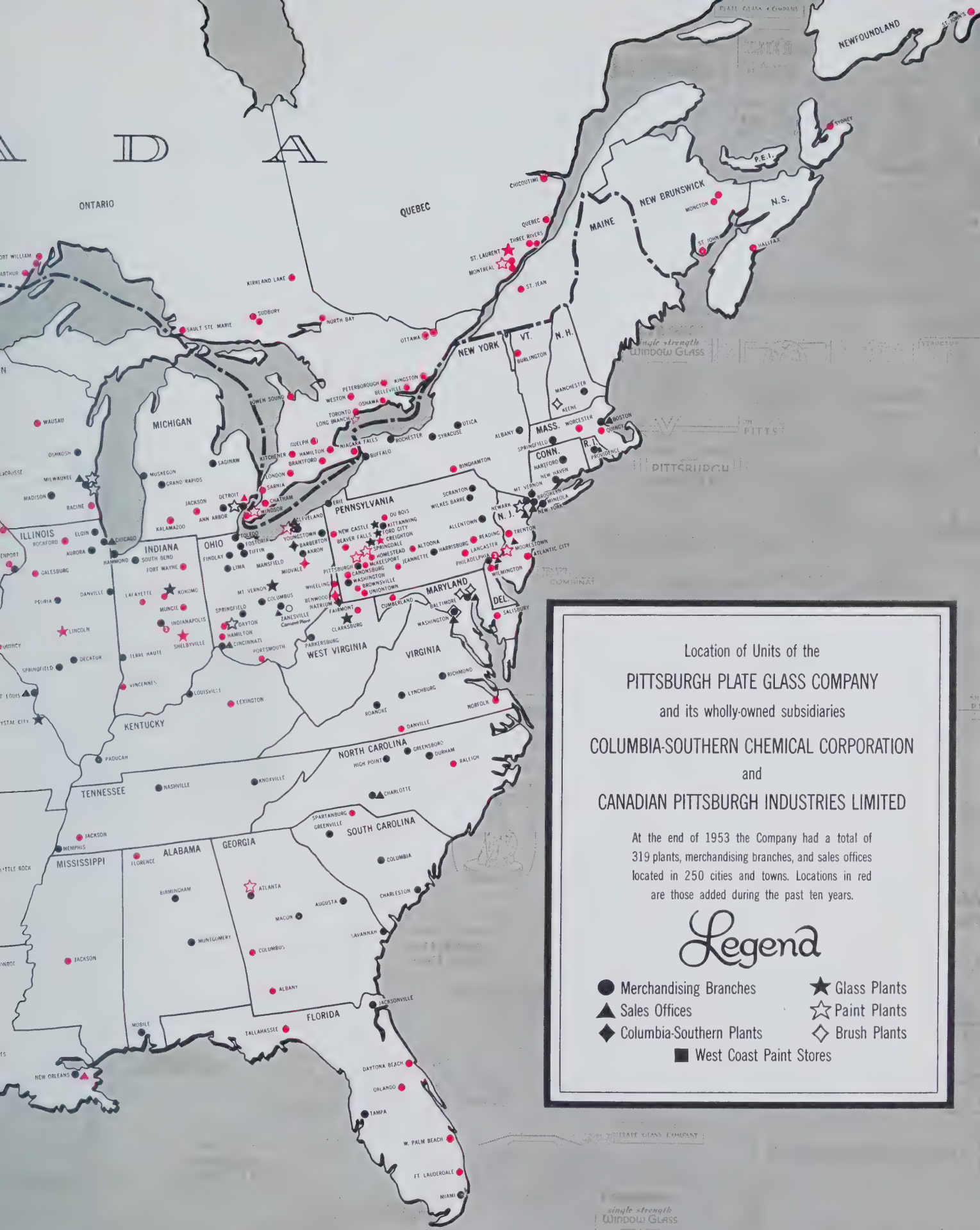


Pennvernon window glass process



MEXICO

TEN



Location of Units of the
PITTSBURGH PLATE GLASS COMPANY
 and its wholly-owned subsidiaries
COLUMBIA-SOUTHERN CHEMICAL CORPORATION
 and
CANADIAN PITTSBURGH INDUSTRIES LIMITED

At the end of 1953 the Company had a total of 319 plants, merchandising branches, and sales offices located in 250 cities and towns. Locations in red are those added during the past ten years.

Legend

- Merchandising Branches
- ▲ Sales Offices
- ◆ Columbia-Southern Plants
- West Coast Paint Stores
- ★ Glass Plants
- ☆ Paint Plants
- ◇ Brush Plants

double-glazed insulating windows, and improved Pennvern window glass lent themselves to the development of new building techniques and have contributed to a large increase in the amount of glass used in residential, commercial, and industrial construction.

The Company's continuing national advertising and sales promotion programs and special technical and advisory services on glass products for architects and designers has also influenced the trend toward the greater use of glass.

The special and industrial uses of glass have also expanded considerably since 1944. During World War II the Company was called upon to develop many special glass products for aircraft and electronic devices, such as radar detection equipment. The techniques and processes developed in this work were applied to production of civilian items. Improvements in formulation and physical characteristics together with new processing facilities have broadened substantially the use of glass in modern living.

Today special glass products are used in television receivers and other electronic devices; in ranges, refrigerators, and other appliances; in aircraft, trains, and buses; and in many other places where research technicians have found that glass can perform a specific function more efficiently and economically than any other product.

...in the **FIBER GLASS DIVISION**

In 1952 the Company entered the fiber glass production field and established the Fiber Glass Division, with a plant at Shelbyville, Indiana.

Production of superfine fiber glass insulation mats for the automotive industry, duct insulation and electrical appliances was started during October, 1952, and continuous glass filament for yarns and plastic reinforcements in February, 1953.

At the close of 1953 all production facilities consisting of 4 superfine tanks and 5 continuous strand tanks were in operation with employment numbering approximately 400 men and women. Fiber glass products are being sold through the Division's seven sales offices.

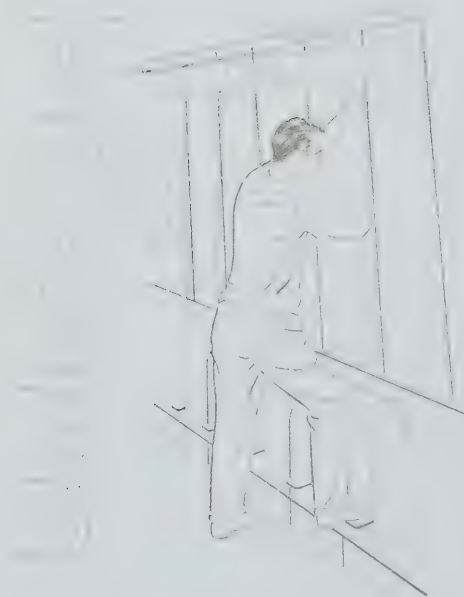
The merchandising branch at Jackson, Tennessee, is one of more than 200 units located advantageously throughout the nation.



Bent full-vision automotive glass



Pittsburgh Store Fronts



Winding fiber glass yarn

...in the **MERCHANDISING DIVISION**

Ten years ago the Merchandising Division operated 131 branches located in 128 cities and towns and had an annual average employment of 3,673. At that time the population growth, the relocation of large industries, the development of new areas, the expansion of cities and towns, and changes in shopping habits were beginning to create problems in the distribution of consumer goods. These factors became more pronounced in the postwar years.

To keep pace with these trends and to continue its policy of providing efficient service to its dealers, jobbers, and other customers, the Division found it necessary to expand substantially. Thus during the past ten years the Division added 74 branches and at the end of 1953 had an annual average of 6,879 men and women employed in a total of 205 units in 193 cities and towns.

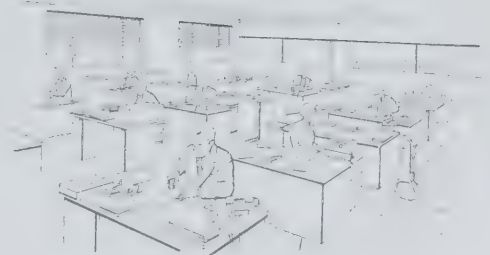
The new branches established in 1953 were: Dayton, Ohio; Fort Lauderdale, Florida; Irvington, Indiana; Quincy, Illinois; San Angelo, Texas; Spartanburg, South Carolina; Tucson, Arizona; and Wheeling, West Virginia.

The basic functions of the Division are to sell Company and related products and to provide prompt service for distributors, dealers, and consumers. The Division was established in 1896 with eight branches. Each of these had special equipment for handling, packing, storing, processing, fabricating, and delivering glass.

As the Company expanded and diversified its products, the merchandising branches necessarily increased not only in number but also in size. When the Company began manufacturing window glass, paint, and brush products, facilities for stocking, selling, and servicing these were installed at the branches. Later the branches developed complete facilities for handling glazing contracts for all types of glass installations.

From the beginning, the Company merchandising branches have been of a definitely local character. These branches are similar to other locally-operated businesses buying merchandise from other suppliers as well as from Company factories. Each branch is staffed with highly qualified local employees who participate in local undertakings and are active as members of the local community.

Down through the years, the Company branches have rendered valuable service to local communities in times of flood, earthquake, hurricane, or other disasters. This service was especially beneficial during recent years in the cities and towns suffering from the disastrous effects of a series of tornadoes which struck various sections of the nation. As members of a national organization, a local branch can draw immediately upon the stock, man power, and facilities of other Company branches and factories to help bring immediate relief to stricken areas.



Typical branch office area



Glass service truck

...in the **PAINT and BRUSH DIVISION**

During the past ten years there have been many progressive developments in the Company's paint and brush operations. Through extensive plant expansion, intensive research and product development, and dynamic merchandising, the Company in 1953 was one of the nation's largest paint manufacturers in a field of 1,300 competitors.

In 1943 the Company operated 8 paint plants and 2 brush plants employing a total of 2,236 men and women. The major products and approximate annual manufacturing capacities in gallons were: paint, 17,400,000; resin and varnish, 9,800,000; lacquer, 2,500,000; linseed oil, 6,000,000; and insecticides and dry colors, 10,000,000 pounds.

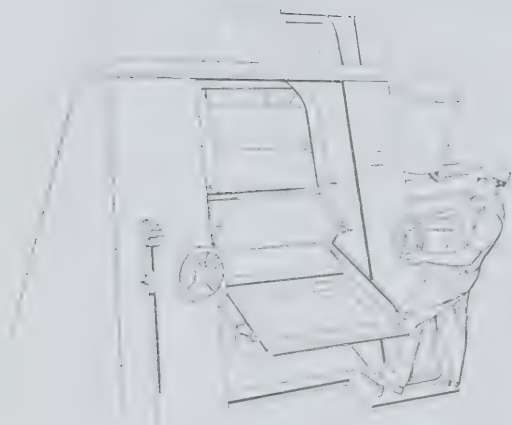
By 1953 the Division had 16 paint and brush plants with an annual average employment of 3,845. During the decade the annual aggregate production capacity of the Division's basic paint products had increased by 50 per cent.

The high lights of the plant expansion program during the past decade were the addition of the M. B. Suydam plant, Pittsburgh, Pennsylvania, in 1946; the Forbes Finishes plant, Cleveland, Ohio, in 1947; a micronizing plant at Moorestown, New Jersey, in 1949, for preparation of raw materials for paints, insecticides, and other products; and the construction of three modern paint plants at Springdale, Pennsylvania, in 1947; at Torrance, California, in 1950; and at Atlanta, Georgia, in 1952. The Division also completed a plant for production of Selectron plastic (a paint co-product) in 1952 at Springdale.

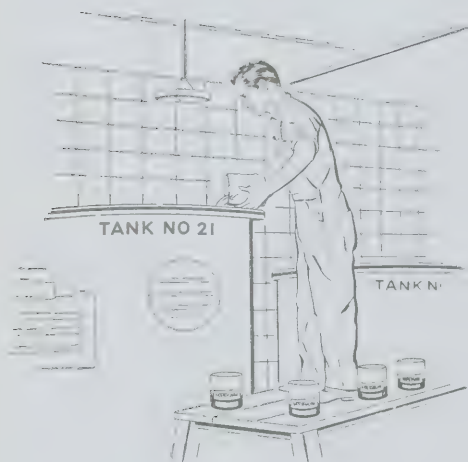
One of the outstanding accomplishments of the Division during the past decade has been the complete change in the formulation of all of the Company's paints and finishes. Working with today's chemical compounds, paint chemists have succeeded in producing paints and finishes possessing physical characteristics infinitely superior to prewar products. Symbolizing this achievement, the Company in 1953 adopted an entirely new label for Company paints and finishes.

As a result of extensive research in the field of resins, the Division began producing such co-products as Selectron plastic, an unsaturated polyester resin used for impregnating, casting, molding, and laminating, and coatings and inks made from vinyl compounds. Special synthetic compositions are being used increasingly for interior and exterior can coatings, and also for printing inks for textiles.

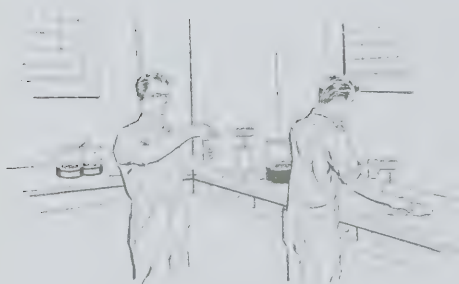
The Division during 1953 began construction of a new research laboratory and pilot plant at Springdale, Pennsylvania, which is scheduled for completion sometime in 1954. The Division's research organization now located in Milwaukee, Wisconsin, and Pittsburgh, Pennsylvania, will occupy the new quarters. Construction was also underway at the close of 1953 of a product development laboratory at the Forbes Finishes plant, Cleveland, Ohio, primarily for work with automotive finishes.



Grinding paint pigments



Tinting paint batch



Testing paint batch

There are two general types of markets for Company paints and finishes. One is the home, industrial, commercial, and public structure maintenance field and is known as the trade sales market. The other is composed of a broad range of industries using paints or other protective coatings on their manufactured products and is known as the industrial sales market.

Company paints and finishes for the trade sales market reach consumers through 12,000 independent dealers, the Company-owned distribution units, and the Division's 41 West Coast paint stores.

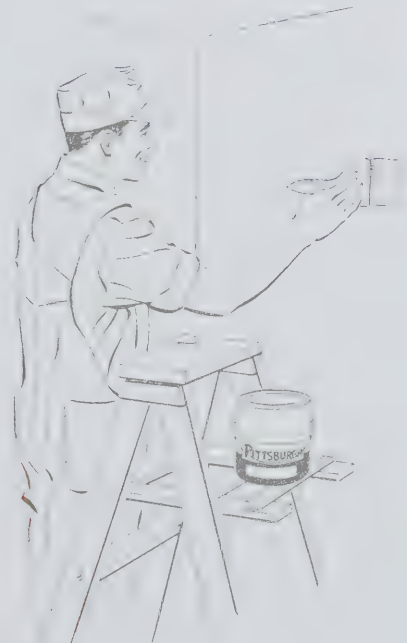
The automotive field is one of the important consumers of industrial finishes. Other markets for industrial finishes, which are sold through special sales staffs, are the appliance, container, petroleum, machinery, equipment, transport, and furniture industries.

During the past ten years the Company successfully developed the Principles of Color Dynamics as a contributing factor toward safety, efficiency, and general morale of people. These principles prescribe the use of paint and color in accord with certain characteristics of color which have been scientifically determined by Company color technicians working in co-operation with scientists from private research institutions. During 1953 the effectiveness of Color Dynamics was graphically revealed in the report of a carefully controlled research project conducted over a two-year period in the Baltimore, Maryland, City Elementary Schools by the Psychological Laboratory of Johns Hopkins University's Institute for Co-operative Research. The report stated that the use of Color Dynamics had a favorable effect on the behavior and performance traits of students, thus indicating that planned color environment contributes in an important measure to the efficiency, comfort, and happiness of people.

Here is shown the completely new and colorful label which in 1953 the Company adopted for containers of its paint products.



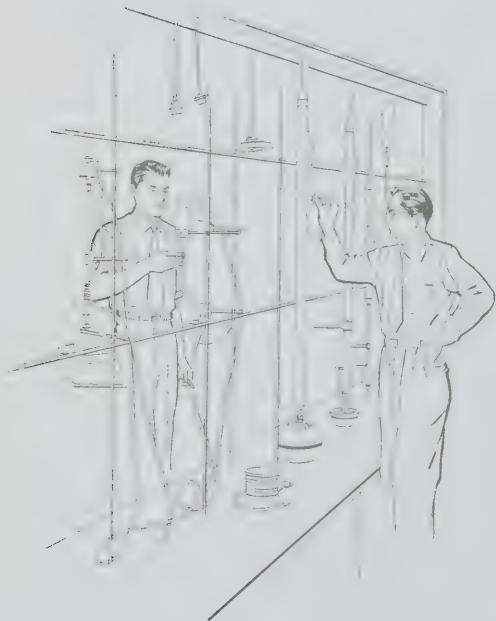
Special color service





Limestone elevators, Barberton, Ohio

...in the
**COLUMBIA-
 SOUTHERN**
Chemical Corporation



Chemical research

The Company's wholly-owned subsidiary, the Columbia-Southern Chemical Corporation has achieved an outstanding record of progress during the past ten years.

In 1943 Company chemical operations were carried on in plants at Barberton, Ohio, and Natrium, West Virginia. These plants had an aggregate capacity of approximately 2,700 tons per day of chlorine, caustic soda, and soda ash, and had an annual average employment of 2,085. The Company also had a 51 per cent interest in and managed the Southern Alkali Corporation with a plant at Corpus Christi, Texas.

The Company in 1944 began operating a plant at Bartlett, California, and in 1946 Southern Alkali leased a plant at Lake Charles, Louisiana. In 1951 the Company purchased the minority interest in Southern Alkali and all chemical operations were placed under a single corporate unit named Columbia-Southern Chemical Corporation.

During the past ten years Columbia-Southern has greatly expanded the production facilities at its 5 plants. It has also carried on an extensive research and development program—activities which are essential to success in the modern chemical industry. At the end of 1953 the plants had an aggregate capacity of approximately 6,500 tons per day of chlorine and the alkalies, and employed an annual average of 4,539 men and women.

Notable progress has been made by Columbia-Southern's research and development programs in diversifying its range of products and enlarging its market potential through development of chemicals derived from its basic chlorine and alkali production.

Ten years ago Columbia-Southern was producing two pigments, Calcene and Silene, whose principal raw material is soda ash. In the past decade these two have been improved and another pigment, Hi-Sil, has been added. These are not coloring pigments; they are used as reinforcing agents, extenders, or carriers for natural and synthetic rubber, plastics, printing inks, paints, powdered material, insecticides, and paper.

Foreseeing the commercial use of the chlorinated organic chemicals, Columbia-Southern converted some of its chlorine production to these new products which offer a promising market potential. These include herbicides, insecticides, dry cleaning compounds, and raw materials for making phenols, DDT, and dyestuffs. Columbia-Southern research has been particularly effective in the herbicide field where it led in the development of Chloro-IPC.

During 1953, Columbia-Southern developed plans for installing facilities for the production of ammonia at the Natrium plant. Hydrogen, by-product of the electrolytic production of chlorine, will be utilized in making the ammonia, a basic chemical used in many consuming industries.

Chemicals have been one of the most rapidly growing segments of the Company's interest. Columbia-Southern, because of its resources and extensive research and development facilities, has been able to capitalize on the expanding markets for both industrial and derivative chemicals and maintain a leading position in the chemical industry.

The PEOPLE of PITTSBURGH PLATE

Progress made by the Company in plant expansion, product diversification, and research has been matched by the growth in the number of people who own and work for the Company. In January, 1944, the Company had 7,950 shareholders and 17,671 employees. At the close of 1953 the number of shareholders had risen to 15,639. The annual average 1953 Company employment was a record of 30,956, an increase of 13,285 over the 1944 figure.

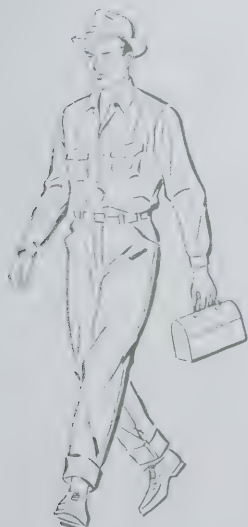
Since 1944 approximately 54 per cent of earnings has been paid to shareholders—the owners of the Company—for the use of their money. This amounted to approximately \$155,000,000 for the ten-year period.

During the same ten years, Company employees received a total of nearly one billion dollars (\$971,825,818) in wages and benefits. Annual payrolls and benefits rose from \$42,076,805 at the end of 1943 to \$158,498,285 at the close of 1953. The rate of rise in employment costs during the past decade was more than double the rate of growth of employment rolls.

The ten-year period, 1944 through 1953 inclusive, witnessed an appreciable increase in benefits provided for employees. For the year 1943, the Company had provided approximately \$3,217,230 for 17,671 employees in the form of direct or indirect benefits. For the year 1953, the Company paid \$19,182,876 for benefits for 30,956 employees. In a ten-year period the cost to the Company of benefits per year rose from an average of \$182 per employee to \$620 per employee.

Typical of the benefits for employees for which the Company pays both directly and indirectly are pensions, group life insurance, social security, paid holidays and vacations, accident and health insurance, state workmen's compensation awards, and hospitalization insurance.

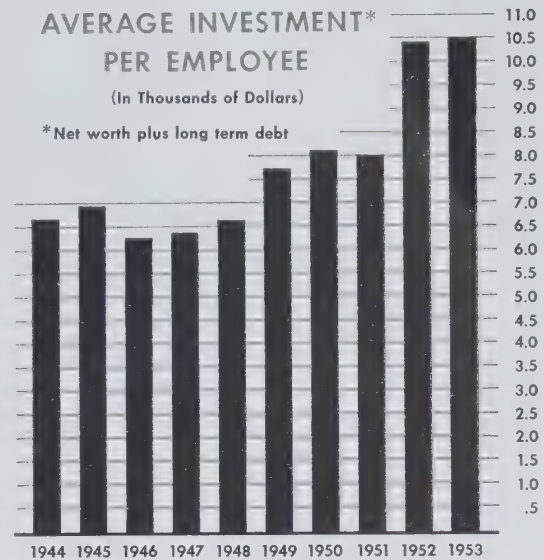
The Company is justly proud of the high standards of safety maintained in all of its plants and branches. By combining maximum safe working conditions with a progressive safety education program the Company's safety record has been consistently high.



AVERAGE INVESTMENT* PER EMPLOYEE

(In Thousands of Dollars)

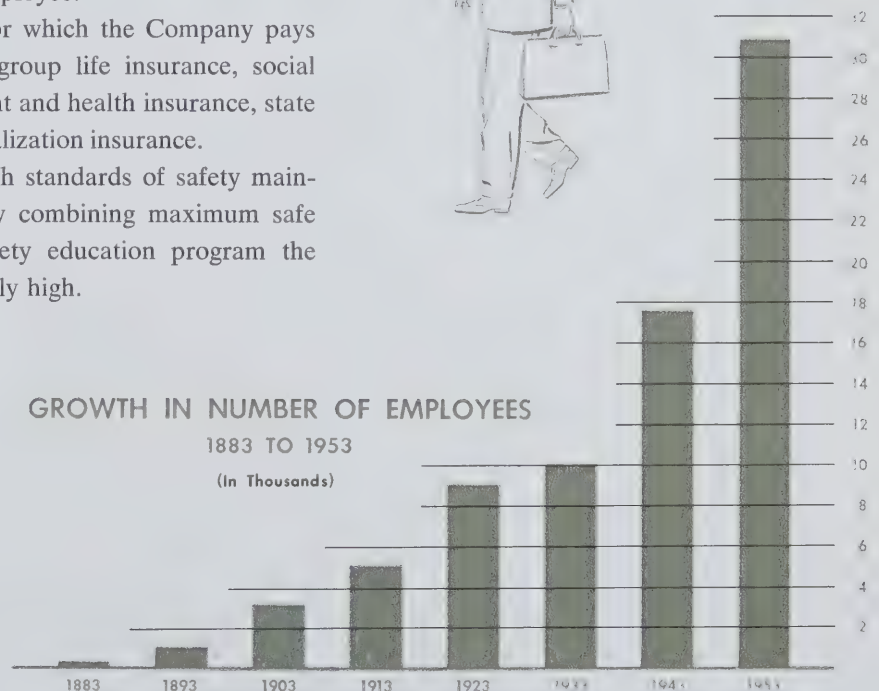
*Net worth plus long term debt



GROWTH IN NUMBER OF EMPLOYEES

1883 TO 1953

(In Thousands)



CONSOLIDATED

P I T T S B U R G H P L A T E G L A S S

D E C E M B E R 3

ASSETS	December 31	
	1953	1952
CURRENT ASSETS:		
Cash	\$ 28,380,788	\$ 23,177,296
U. S. Government securities—at lower of cost or market	\$ 57,670,045	\$ 60,576,847
(Quoted market value at December 31, 1953, \$57,905,382; December 31, 1952, \$60,591,994)		
Other marketable securities—at lower of cost or market	\$ —	\$ 233,030
Trade notes and accounts receivable (less estimated uncollectible notes and accounts: 1953, \$3,469,582; 1952, \$2,887,040)	\$ 32,926,414	\$ 34,269,009
Other notes and accounts receivable (including \$477,289 in 1953 and \$391,368 in 1952 from officers and employees)	\$ 5,351,132	\$ 3,123,559
Inventories (see note 2):		
Finished goods	\$ 48,628,362	\$ 45,177,704
Work in process	6,749,978	5,336,717
Raw materials	13,177,395	14,939,846
Supplies (including repair parts)	18,633,811	18,166,567
Total inventories	\$ 87,189,546	\$ 83,620,834
Total current assets	\$211,517,925	\$205,000,575
INVESTMENTS AND OTHER RECEIVABLES:		
Investments in domestic subsidiaries not consolidated—at cost	\$ 1,668,230	\$ 1,668,230
(Equity in undistributed earnings since dates of acquisition: 1953, \$11,529,405; 1952, \$11,443,856)		
Investments in and advances to foreign subsidiaries not consolidated— at cost or less	16,284,169	13,647,886
(Equity in undistributed earnings since dates of acquisition: 1953, \$9,088,617; 1952, \$6,369,261)		
U. S. Government securities deposited with State Insurance		
Commissions—at cost	746,075	625,179
Other investments—at cost or less	2,461,740	2,509,883
Other notes and accounts receivable (including \$204,619 in 1953 and \$153,678 in 1952 from officers and employees), less estimated losses . .	3,520,206	4,137,256
Total investments and other receivables	\$ 24,680,420	\$ 22,588,434
PROPERTY—At cost:		
Land	\$ 6,375,129	\$ 6,296,776
Buildings, machinery and equipment, depletable resources, etc.	325,592,596	307,862,261
Total	\$331,967,725	\$314,159,037
Less accumulated depreciation and depletion	135,250,887	123,511,119
Property—net	\$196,716,838	\$190,647,918
PATENTS—At nominal value	\$ 1	\$ 1
DEFERRED CHARGES (Prepaid expenses, unamortized cost of alterations to leased property, unamortized debt discount and expense, etc.)	\$ 8,661,415	\$ 8,003,977
Total	\$441,576,599	\$426,240,905

NOTES TO FINANCIAL STATEMENTS

1. It is the practice of the Company to exclude from consolidation all foreign subsidiary companies and to include in consolidation all domestic subsidiary companies in which the percentage of ownership is more than 51 per cent.
2. Inventories are stated generally at the lower of average cost (excluding certain fixed expenses) or market and are after deducting allowances of \$700,514 in 1953 and \$1,290,385 in 1952 to reduce inventories of flax, linseed oil, and bristle to a last-in first-out basis of computing costs. On an average cost basis, such inventories amounted to \$2,248,968 and \$5,805,199 at December 31, 1953 and 1952, respectively.
3. The Company is contingently liable as guarantor of the payment of principal of and interest on \$5,000,000 (Canadian) principal amount of 4½% debentures due 1957-61 of an unconsolidated Canadian subsidiary.

BALANCE SHEET

COMPANY AND SUBSIDIARIES

1953 AND 1952

LIABILITIES

	December 31	
	1953	1952
CURRENT LIABILITIES:		
Notes Payable:		
Banks.....	\$ 17,700,000	\$ 11,750,000
3½ % Promissory Notes.....	1,000,000	—
Foreign subsidiary not consolidated.....	261,400	266,100
Accounts payable and sundry accruals:		
Trade.....	18,921,993	13,988,104
Salaries and wages.....	9,229,562	8,803,851
Other.....	4,562,685	5,188,161
Taxes:		
Federal taxes on earnings.....	43,169,344	43,789,296
Other.....	3,685,496	3,800,716
Total current liabilities.....	\$ 98,530,480	\$ 87,586,228
NONCURRENT LIABILITIES:		
3% Sinking Fund Debentures due 1967.....	\$ 40,000,000	\$ 40,000,000
3½ % Promissory Notes.....	14,000,000	15,000,000
Other notes payable—banks.....	—	15,200,000
Other.....	2,917,654	1,995,702
Total noncurrent liabilities.....	\$ 56,917,654	\$ 72,195,702
DEFERRED CREDITS:		
Unremitted foreign profits.....	\$ 2,065,263	\$ 1,099,435
Deferred Federal income tax (see page six).....	1,400,000	—
Other.....	871,649	648,260
Total deferred credits.....	\$ 4,336,912	\$ 1,747,695
ACCUMULATED PROVISIONS FOR:		
Pensions and relief (including voluntary plans).....	\$ 4,733,405	\$ 5,119,401
Insurance.....	2,544,059	2,464,811
Maintenance and repairs.....	2,726,508	2,529,858
Total accumulated provisions.....	\$ 10,003,972	\$ 10,114,070
CAPITAL AND RETAINED EARNINGS:		
Capital stock—authorized, 12,500,000 shares, par value \$10 each; issued and outstanding, 1953, 9,061,121 shares; 1952, 9,044,387 shares (see note 4).....	\$ 90,611,210	\$ 90,443,870
Capital contributed for stock in excess of par value.....	6,523,698	6,001,412
Earnings retained for use in the business (exclusive of amounts transferred to capital stock):		
Appropriated for:		
Replacement cost of facilities.....	26,644,633	20,987,496
Contingencies.....	—	5,681,365
Unappropriated.....	148,008,040	131,483,067
Total capital and retained earnings.....	\$271,787,581	\$254,597,210
Total.....	\$441,576,599	\$426,240,905

NOTES TO FINANCIAL STATEMENTS

4. Under the provisions of a Stock Option Plan effective in 1952, 450,000 shares of the Company's capital stock were reserved for the granting of options to employees. At December 31, 1953 there were outstanding options expiring in 1957 on 282,276 shares of capital stock at \$41.40 per share which were placed under option by employees, and the employees had made partial payments thereon aggregating \$1,426,144. During 1953, 16,734 shares were issued on the exercise of similar options, making a total of 30,939 shares which had been issued to December 31, 1953 under the Employees' Stock Option Plan.

5. The Company's equity in undistributed net profits of subsidiaries not consolidated was \$2,804,905 in 1953 and \$1,021,638 in 1952.

PITTSBURGH PLATE GLASS COMPANY AND SUBSIDIARIES

Summary of Consolidated Earnings and of Earnings Retained For Use in the Business for the Years Ended December 31, 1953 and 1952

	1953	1952
NET SALES.....	\$451,964,697	\$402,055,085
DIVIDENDS FROM AND INTEREST ON ADVANCES TO SUBSIDIARIES		
NOT CONSOLIDATED.....	2,626,679	3,391,866
OTHER EARNINGS.....	2,459,481	2,013,179
TOTAL.....	<u>\$457,050,857</u>	<u>\$407,460,130</u>
DEDUCT:		
Cost of sales and selling, general, and administrative expenses (exclusive of wear and exhaustion of facilities, and taxes)	\$355,766,050	\$309,890,467
Cost of wear and exhaustion of facilities.....	14,993,348	10,948,973
Federal and state taxes on earnings (including Excess Profits Tax:		
1953, \$1,500,000; 1952, \$2,500,000)	39,300,000	40,100,000
Other taxes.....	6,480,361	5,970,828
Interest.....	2,521,127	1,849,155
Other charges—net.....	1,125,186	1,928,782
TOTAL.....	<u>\$420,186,072</u>	<u>\$370,688,205</u>
NET EARNINGS.....	\$ 36,864,785	\$ 36,771,925
UNAPPROPRIATED EARNINGS RETAINED FOR USE IN THE BUSINESS, JANUARY 1..	131,483,067	118,224,030
PRIOR YEARS' APPROPRIATIONS FOR CONTINGENCIES RESTORED.....	5,681,365	—
TOTAL.....	<u>\$174,029,217</u>	<u>\$154,995,955</u>
DEDUCT:		
Appropriation to increase charges for wear and exhaustion of facilities to a replacement cost rather than an original cost basis.....	\$ 5,657,136	\$ 5,432,888
Cash dividends (1953, \$2.25 per share; 1952, \$2.00 per share)	20,364,041	18,080,000
TOTAL.....	<u>\$ 26,021,177</u>	<u>\$ 23,512,888</u>
UNAPPROPRIATED EARNINGS RETAINED FOR USE IN THE BUSINESS,		
DECEMBER 31.....	<u>\$148,008,040</u>	<u>\$131,483,067</u>

NOTE: Reference is made to notes to the financial statements appearing on Pages Eighteen and Nineteen.

ACCOUNTANTS' CERTIFICATE

Pittsburgh Plate Glass Company:

We have examined the consolidated balance sheet of Pittsburgh Plate Glass Company and subsidiaries as of December 31, 1953 and the related summary of consolidated earnings and of earnings retained for use in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and summary of consolidated earnings and of earnings retained for use in the business present fairly the financial position of the companies at December 31, 1953 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

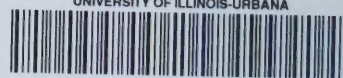
Pittsburgh, February 5, 1954

Haskins & Sells



The beauty and utility of the modern school is made possible with use of many Company products. Glazed with Pennvernon window glass this room is made more cheerful with "Pittsburgh Paints" applied in accord with Color Dynamics. Colorful floor tile of the type produced with use of Columbia-Southern chemicals blends with the color pattern. The exterior play areas have fences of the type made with the Company's fiber glass and Selectron plastic.

UNIVERSITY OF ILLINOIS-URBANA



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